

BancWest Investment Services, Inc.

PRIORITY INVEST PROGRAM BROCHURE

WRAP FEE PROGRAMS

and

MUTUAL FUND MANAGED ACCOUNT PROGRAM

This Brochure provides clients and prospective clients with information about BancWest Investment Services, Inc., and the Priority Invest Program, and should be considered before becoming a client of the Priority Invest Program. This information has not been approved or verified by any governmental authority.

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I. Introduction

BancWest Investment Services, Inc. (“BWIS”) is dually licensed as a state-registered investment adviser and a NASD member broker-dealer. Associated persons of BWIS are individually licensed as registered representatives and some are also licensed as investment adviser representatives of BWIS. BWIS is a subsidiary of the Bank of the West (“BOTW”), which in turn, is an affiliate of First Hawaiian Bank (“FHB”). BOTW and FHB are subsidiaries of BancWest Corporation (“BWE”). BWE is a wholly owned subsidiary of BNP Paribas, SA, a publicly owned limited liability banking institution organized in France (“BNP Paribas”).

BWIS, BWIS registered representatives, and affiliates of BWIS provide both brokerage services and investment advisory services. BWIS’ investment advisory services are available to any current or prospective clients, including, but not limited to, individuals, pension and profit sharing plans, trusts, estates, charitable organizations, and corporations or other business entities. Investment minimums will apply as described in this Brochure. BWIS is exclusively a domestically registered investment adviser.

BWIS provides advisory clients with the opportunity to participate in any of the offerings in its Priority Invest Program (“Programs”). Program 1 is a mutual fund managed account program (“Managed Account Program”), sponsored by BWIS and managed by FundQuest, Inc. (“FundQuest”), a SEC-registered investment adviser and an affiliate of BWIS. Programs 2 and 3 are wrap fee programs (collectively, “Wrap Fee Programs”) sponsored by BWIS, and Program 2 is managed by FundQuest. FundQuest assists BWIS in implementing and administering the Programs, and provides BWIS with research and advisory services to assist in screening, selecting, and monitoring investment managers selected for the Programs by FundQuest (“Sub-Managers”), securities, and funds (“Funds”) available through the Programs.

In association with the Programs, BWIS establishes an account for each client (“Program Account”) and requires that clients establish retail brokerage accounts with Pershing, LLC (“Pershing”) in order to execute transactions and receive custodial, administrative and other services. BWIS acts as the introducing broker for the Programs. If the client chooses to designate another broker-dealer to carry an account and/or execute transactions for the client, that account and the assets held in that account will not be eligible for participation in the Programs.

This brochure provides information about the qualifications and investment advisory business practices of BWIS. Please contact Christopher D. Gryzen, Vice President and Assistant Chief Compliance Officer of BWIS, if you have any questions about the contents of this brochure. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about BWIS is available on the Internet at www.adviserinfo.sec.gov/IAPD/Content/lapdMain/iapd_OrgSearch.aspx. You can search this site by a unique identifying number, known as a CRD number. The CRD number for BWIS is 29357. Additional information about the Programs also can be found in FundQuest’s disclosure brochure.

II. Brokerage and Investment Advisory Services

BWIS acts as both a broker-dealer and an investment adviser in connection with the Programs. Brokerage services primarily involve executing transactions for the purchase and sale of securities, whereas investment advisory services primarily involve offering clients advice about what the client may buy and sell, or helping the client to hire another adviser to provide this advice. In providing advisory services, BWIS has a fiduciary duty to an advisory client, and is required to put the advisory client's interests ahead of BWIS' interests, to treat all BWIS advisory clients fairly and equitably, and to disclose all material conflicts between BWIS' interests and the advisory client's interests. Brokerage activities are regulated under different laws and rules than advisory activities, and generally do not give rise to the fiduciary duties an investment adviser has to its advisory clients.

BWIS encourages clients to speak with their representative regarding any questions that clients may have about the differences between brokerage services and investment advisory services, including the obligation to disclose conflicts of interests and to act in the best interests of clients. For more information about the other services offered, as well as assistance in determining which service may be best suited to a client's needs and objectives, clients are encouraged to contact their BWIS advisory representatives. Additional information about each program also is available in the account-opening documents.

III. Program Overview

Through the Programs, for a single asset-based fee, clients may obtain high quality discretionary portfolio management, non-discretionary portfolio management, and mutual fund asset allocation services, as well as custodial, execution, and other client-related services. Depending on the Program, BWIS provides clients with recommendations designed to create diversified portfolios among Funds, other securities, and sub-accounts managed by Sub-Managers ("Sub-Accounts"). A BWIS advisory representative assists the client to review and evaluate the client's investment objectives through the use of a questionnaire, assists the client to choose among the Programs, and recommends initial asset allocations within the chosen Programs.

FundQuest provides certain services for each of the Programs. For Program 1 accounts, FundQuest provides discretionary portfolio management. For Program 2 accounts, FundQuest and the Sub-Managers (together with FundQuest, the "Managers") provide discretionary portfolio management. For Program 3 accounts, FundQuest and BWIS provide non-discretionary portfolio management, and Sub-Managers also may provide discretionary portfolio management. Depending on the Program, clients may invest in various investment vehicles such as stocks, bonds, mutual funds, unit investment trusts ("UITs"), variable life insurance products, variable annuities, real estate investment trusts ("REITs"), and U.S. government securities.

Clients should know that the assets that they designate in each Program ("Assets") are likely to be managed in a manner similar to that of other clients having similar investment objectives and risk tolerances using the same Manager and investment strategy.

Clients may choose one or more of the Programs subject to having a specified minimum initial amount of assets to designate to each Program: (i) Program 1 (\$100,000); (ii) Program 2 (\$750,000); or (iii) Program 3 (\$100,000). Unless specifically designated for the Program by the client, for Program 3, the value of existing variable annuity and/or load-bearing mutual fund assets for which BWIS previously received compensation will not be included in the calculation of advisory fees, nor will those assets be included in fulfilling the minimum account requirements. BWIS retains the discretionary authority to waive or reduce minimum account requirements. Similarly, BWIS also may impose a higher investment minimum with respect to certain investment strategies, at BWIS' sole discretion. Clients should be aware that certain Sub-Managers may also impose additional minimum requirements for their portfolio management services, and certain mutual funds may impose additional minimum requirements to invest. The minimum account size requirement for participation in the Programs may be reduced or waived in its entirety for employees of BWIS or its affiliates, and members of the families of these persons, who maintain an "employee related" account.

While BWIS and FundQuest may consider non-Program Assets in the formulation of their investment recommendations, generally they will not offer advice on those assets. Clients should also be aware that liquidating assets in order to fund Program Accounts may create tax consequences and that such matters should be discussed with independent tax advisors prior to investing in any of the Programs.

IV. Investment Management and Features

Agreements. The services to be provided to clients in the Programs are governed by the terms of an investment advisory agreement between BWIS, FundQuest, and the client ("Client Agreement"). FundQuest has entered into a separate master agreement with BWIS, and with each Sub-Manager offered in each of the Programs. By operation of the Client Agreement, a client shall become an investment advisory client of BWIS and FundQuest. By operation of the FundQuest agreement with each Sub-Manager, a client shall become an investment advisory client of each Sub-Manager that the client engages, provided that the Sub-Manager accepts the client's account for management. By executing the Client Agreement, including any substitute or transfer of power of attorney later executed to change Sub-Managers, each client ratifies and confirms any and all orders, instructions and/or acts of each Manager given or performed and executed by the Manager with respect to the Assets.

Client Questionnaire and Investment Strategy Report. With the assistance of a BWIS advisory representative, each client completes a custom designed questionnaire, or an equivalent profiling tool ("Questionnaire"). By responding to the Questionnaire, a prospective client will inform BWIS of the client's investment objective, risk tolerance and investment time horizon for the Assets designated for the proposal, and any reasonable restrictions the client wishes to impose on the management of the Assets (together, "Questionnaire Responses"). Based on the Questionnaire Responses and any other information about the client's financial situation that a client may provide (together with the Questionnaire Responses, "Client Information"), the BWIS investment advisory representative will analyze each client's current investments, goals and objectives, financial circumstances, investment experience, investment restrictions and limitations, and risk tolerance,

and will recommend a Program to help the client meet his or her financial goals. Then using specialized software that FundQuest designed and provides to BWIS, the BWIS advisory representative will work with the client to prepare and review a customized Investment Strategy Report (“ISR”), which incorporates an Investment Profile Summary, and an overview of the importance of asset allocation and the investment process. The ISR will also include a Performance Index, which provides the client with additional information for any recommended mutual funds. After reviewing the ISR, the client, with the assistance of the BWIS advisory representative, will open a Program Account and will sign the Client Agreement and any other agreements associated with the Program. Thereafter, the account will be managed in accordance with the terms of the Program.

Each client must notify BWIS and the BWIS advisory representative promptly, in writing, of any material changes in Client Information or other circumstances that might affect the manner in which services are provided to the client by BWIS, FundQuest, or a Sub-Manager. BWIS advisory representatives will remain available to meet with clients on a regular basis to discuss the client’s account. BWIS will communicate any changes in client circumstances, needs, or account restrictions to FundQuest. BWIS advisory representatives will also contact clients on at least an annual basis to discuss individual client circumstances.

Client Imposed Investment Restrictions. A client may impose reasonable restrictions on the management of Assets, including that particular securities should not be purchased for the client. Yet the client may not require that particular securities be purchased for the client. Any restrictions a client imposes on the management of Assets may cause a Manager to deviate from investment decisions it would otherwise make in managing Assets. Unless a client imposes restrictions on the management of Assets, it is likely that the client’s Assets will be managed in a manner very similar to that of other clients with similar investment objectives and risk tolerances that use the same strategy. Clients should promptly notify BWIS of any changes in such restrictions.

Other Restrictions. If a client is subject to the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) or the provisions of Section 4975 of the Internal Revenue Code of 1986, as amended (“IRC”), unless the client affirmatively elected to be presented with FundQuest as a Sub-Manager in Program 3, only unaffiliated Sub-Managers will be presented. Presentations of investment strategies or Sub-Managers affiliated with BWIS or FundQuest, singly or as part of an asset allocation proposal, do not constitute fiduciary investment advice under ERISA or the IRC.

If a client is not subject to ERISA or the provisions of Section 4975 of the IRC, the client may be presented with FundQuest as a Sub-Manager for Program 3. Other investment advisers affiliated with BWIS or FundQuest will not be presented to a client in any of the Programs, and FundQuest will not be presented to a client as a Sub-Manager in Program 2. Any mutual funds presented to a client will not include any funds affiliated with BWIS or FundQuest.

Program Sub-Managers and Broker-Dealers. Depending on the offerings in each Program, clients may select securities, one or more Sub-Manager strategies, and/or Funds, in consultation with their BWIS advisory representative. Once a Sub-Manager strategy is chosen, Sub-Accounts are then established in the name and for the benefit of the client, to be managed by the chosen Sub-

Managers. Personnel of each Sub-Manager will be reasonably available to clients for consultation regarding management of Assets.

Pershing or another broker-dealer designated by BWIS, acts as clearing broker, and BWIS acts as introducing broker (together, “Brokers”) to effect transactions for Assets pursuant to a securities clearing and execution agreement. The Brokers effect transactions in Fund shares as designated by FundQuest in Program 1, in securities as designated by the Sub-Managers in Program 2, or in securities as designated by the client or Sub-Managers in Program 3. Pershing does not exercise investment discretion over the Assets. BWIS, its employees and agents also will have no investment or other discretion with respect to the Assets, will not perform discretionary acts, and will not provide proxy-voting advice with respect to the Assets. Transactions are only effected as instructed by FundQuest in Program 1, the Sub-Manager in Program 2, or the client or Sub-Managers in Program 3.

With respect to separate account strategies, each Sub-Manager agrees to comply with provisions of the Client Agreement applicable to the Sub-Manager, and the client, in turn, gives the Sub-Manager power of attorney to invest Assets allocated to the Sub-Manager at the Manager’s discretion. Each Sub-Manager is the sole agent pursuant to the power of attorney and is in no respect an agent or representative of BWIS or FundQuest. All acts and transactions of a Sub-Manager are solely for the clients’ Assets it manages and are the responsibility of the clients who selected the Sub-Manager.

Since the Program Fee paid by the client (as discussed below) covers execution services performed by the Brokers, when such direction is consistent with the Manager’s obligation to obtain best execution, Managers generally direct the Brokers, as broker-dealers, to effect transactions for clients’ Assets.

Program and Manager Terminations. Clients, BWIS and FundQuest may terminate the Client Agreement at will upon delivery of written notice to the other parties. Additionally, a client may terminate the management of Assets by a Sub-Manager at any time by providing written notice to FundQuest that the client revokes the power of attorney granted to the Sub-Manager, and that the client either appoints a different Sub-Manager to manage all or a portion of the Assets and/or directs the Sub-Manager to liquidate all or a portion of the Assets. For Program 2, FundQuest also may replace a Sub-Manager and/or direct the Sub-Manager to liquidate all or a portion of a client’s Assets at any time. Notwithstanding the revocation of a client’s power of attorney or instructions to liquidate Assets, a Sub-Manager will take the actions necessary to transfer the Assets to another Sub-Manager and/or liquidate the Assets, as directed. A decision to liquidate the securities in the client’s account may impact the sales prices obtained for these securities due to market conditions at the time of sale. As a result, the sales prices obtained by client may be lower than the prices that would have been obtained if the Sub-Manager had sold the securities in the ordinary course. Liquidation of securities may have tax consequences that the client should discuss with his or her independent tax advisor.

FundQuest may terminate the participation of any Sub-Manager, investment strategy or Fund in the Programs at any time and in any manner. While BWIS or FundQuest may discuss with clients whether a change in Sub-Manager, strategies, allocation or Funds offered by the Programs is necessary or desirable, FundQuest is under no obligation to do so. In the event of

any such termination, clients with Assets managed in Program 3 will be given reasonable advance notice of the termination and the opportunity to select a new Sub-Manager, security, or Fund from options available in the Programs. Clients with Assets managed in Program 1 or Program 2 will be given reasonable advance notice of the termination, and FundQuest will select a new Sub-Manager, strategy or Fund from options available in the particular Program. If a client fails to select a new security, Sub-Manager, strategy or Fund in Program 3 after receiving the notice, the affected Assets will be transferred to a BWIS brokerage account over which neither BWIS nor FundQuest has investment discretion. In this event, the assets in the client's brokerage account will not be subject to the Program Fee (defined below) but will be subject to customary brokerage fees and expenses. Termination of a strategy, Sub-Manager or Fund may have tax consequences that should be discussed by client with his/her independent tax advisor.

In addition, the Programs will terminate immediately if for any reason the arrangement with Pershing to provide services to the Programs is terminated. Notwithstanding anything to the contrary herein, if a client terminates the Client Agreement within five (5) business days of BWIS and FundQuest's acceptance of the Client Agreement, the client will receive a full refund of the Program Fee paid. Upon termination of the Client Agreement by any party, none of BWIS, FundQuest, or any Sub-Manager will be under any obligation to provide further services with regard to the Assets, and the client will be solely responsible for the investment of the Assets and for instructing FundQuest in writing regarding any Assets. However, termination of the Client Agreement will not affect the liabilities or obligations of the parties under the Client Agreement arising from transactions initiated prior to termination, including the provisions regarding arbitration, which shall survive any termination of the Client Agreement. The Managers and the Brokers retain the right to complete any transactions that are open as of the termination date and to retain any amounts of Assets sufficient to effect such completion.

Following termination of the Client Agreement, a pro rata portion of the Program Fee will be paid by the client based on the number of the days in the quarter prior to receipt by BWIS and FundQuest of a client's notice of termination. Any prepaid, unearned fees will be promptly refunded.

Manager/Client Information. The Sub-Managers receive or have access to client-related information, which may include: (i) account opening documents, including, among other things, the Questionnaire, client's investment objective, risk tolerance and any client-imposed restrictions on management of assets; (ii) on-line access to the account; (iii) client investment guidelines, if applicable, including any client-imposed restrictions on management of Assets; (iv) confirmations; (v) account statements; and (vi) reports relating to the performance of a client's account. BWIS provides relevant updated Client Information to FundQuest, which provides the information to the Sub-Managers, if applicable, as soon as reasonably practicable after receipt of the information from the client.

Securities Selection and Sub-Manager Due Diligence. FundQuest chooses securities based on research produced or obtained by FundQuest or a third party adviser, or supplied to them and used in conjunction with other investment research tools. Investments are recommended by BWIS and selected by the client and FundQuest from a pre-defined universe that has been screened using criteria established by FundQuest. Where they are included as part of a particular Program, Sub-

Managers are recommended by BWIS and selected by BWIS and the client from among a list of pre-screened managers provided by FundQuest.

Investment advice may be offered on any investments held by a client at the start of the advisory relationship. Advice regarding new investments will typically include exchange-listed securities, securities traded in over-the-counter markets, variable life insurance policies, interests in variable annuities, mutual fund shares, U.S. government securities, UITs, and REITs. Trading strategies include long-term purchases (securities held for at least one year) and short-term purchases (securities sold within one year).

FundQuest's Investment Committee (the "Committee") reviews the performance of each recommended investment strategy, Sub-Manager, research provider, and recommended mutual fund on a regular basis. Analysis is based on data provided by industry services, information presented by the Sub-Managers, and internal software developed by FundQuest.

BWIS and FundQuest do not maintain custody of the individual securities owned by each client. Each client is the registered owner of his or her securities held by a registered broker-dealer, custodian, or the individual mutual funds themselves. Because FundQuest instructs the custodian of the Assets to pay the Program Fee to FundQuest, FundQuest is deemed to have "custody" of the Assets under the Investment Advisers Act of 1940, as amended ("Advisers Act"). BWIS does not have custody of the Assets under the Advisers Act definition of "custody".

Investment Philosophy and Asset Allocation Modeling. FundQuest's investment philosophy is based on modern portfolio theory, which focuses on the relationship of all investments in a portfolio, not just the individual securities. By combining individual securities, which by themselves may be risky, an efficient frontier of optimized portfolios can be constructed.

FundQuest believes that the use of models is a crucial step in developing a Program Account for the client that appropriately matches the client's objectives. FundQuest, through an analysis of current market conditions, refines its asset allocation models and makes tactical adjustments for each class. Asset class allocation is reviewed at least annually, but more frequently if market conditions warrant. FundQuest employs proprietary software as well as purchased software to identify and monitor categories of assets within each class. The FundQuest asset allocation models are used continuously to construct and manage client portfolios.

BWIS also uses this software to monitor asset allocations and to make recommendations to clients. BWIS assists clients to select among the offerings in the Programs based upon the client's representations in the Investor Questionnaire and the ISR. BWIS also may consider company press releases and other materials to provide advice to clients.

Asset allocation models are investment plans that include a proposed long-term strategy for allocating the Assets among a combination of asset classes. Asset allocations are based upon and are objectively correlated to Questionnaire Responses provided by the client. An asset allocation is provided to assist the client in making informed asset allocation decisions and does not constitute fiduciary investment advice under ERISA or the IRC. In determining whether to adopt, modify or

reject a proposed asset allocation, the client should consider all of the client's assets, income and investments.

Clients should refer to the Sub-Managers' disclosure documents for information regarding the methods of analysis, sources of information and investment strategies used in servicing client accounts. Clients also should refer to the prospectuses of the Funds for information about their investment strategies.

A client may impose restrictions on the percentage of Assets that BWIS or FundQuest should propose to be allocated to certain asset classes. Any restrictions a client imposes on an allocation to a particular asset class may result in the development of an asset allocation proposal for the client that deviates from the allocation BWIS or FundQuest would otherwise propose. Unless a client imposes a maximum, it is likely that the asset allocation proposed to the client will be very similar to that proposed to other clients with similar investment objectives, risk tolerances and investment time horizons.

A Manager or a Fund selected by the client may at any time hold a significant portion of Assets designated to it in cash or cash equivalents. The portion of Assets held in cash and/or cash equivalents in one manager strategy or Fund will not be taken into account by any other Manager in managing Assets, nor will it be taken into account in any calculation of the portion of Assets proposed to a client for investment in cash in any asset allocation for the client.

Managers. In determining the broker-dealer(s) to be used in connection with client account transactions, Managers and investment advisers for the Funds may in certain circumstances consider research and research-related services (including statistical and economic data and research reports pertaining to individual companies and industries) provided by brokers-dealers. Under certain conditions, to obtain such research and research-related services, Managers and investment advisers for the Funds may cause clients to pay higher commissions on portfolio brokerage transactions than if such transactions were executed by a broker-dealer not providing research or research-related services. The Managers for the Funds may use such services in connection with all of their investment activities, including the management of investment accounts other than the Fund or client's Sub-Account. The Brokers or an affiliate of the Brokers may act as a broker-dealer with respect to Fund and client portfolio transactions.

Mutual Funds. The asset allocation services offered in the Programs are designed to help clients meet their long-term investment goals. The Programs are not intended to be used for short-term, tactical trading, or "market timing" of Funds. Market timing can impede a portfolio manager's ability to manage a Fund and may result in adverse tax consequences for other shareholders. Clients purchasing shares of Funds in the Programs should intend to hold these shares for no less than ninety (90) days. Certain Funds reserve the right to refuse orders or exchanges from certain persons, including persons engaged in market timing. Additionally, BWIS or FundQuest may terminate a Client Agreement for market timing activities by the client.

In the event of termination of a client's participation in the Programs, the client's Fund shares will not be automatically redeemed. Fund shares will be transferred out of the Programs, unless clients provide instructions to redeem the shares. If all Assets are Fund Assets, a client's ability to

purchase new shares of the Funds may be restricted, and BWIS and FundQuest may take other actions, as they deem appropriate, including termination of the client's participation in the Programs.

Clients should be aware that the Program Fee (described below) will be imposed on all Fund shares that a client designates as Assets, including Fund shares on which the client may have previously paid a sales charge or fee structure. Also, to the extent that cash used for investment in Funds comes from redemptions of a client's other mutual fund investments not held in the Programs, clients should consider the cost, if any, of any sales charge or fee structure previously paid and redemption fees that would be incurred. These redemption fees would be in addition to the Program Fee on those Assets. Clients should be aware that redemptions and exchanges between Funds might have tax consequences that clients should discuss with their independent tax advisor. Finally, clients should be aware that Funds bear a variety of expenses directly, including investment advisory fees and brokerage expenses. As a shareholder in a Fund, a client will be subject indirectly to a pro rata share of these expenses.

Clients retain the right to proceed directly as a security holder against any issuer of any security that constitutes Assets and are not obligated to join any person involved in the operation of the Programs or any other client in the Programs as a condition precedent to initiating any such proceeding.

Program Account Reviews and Reporting. All clients receive from FundQuest a quarterly performance report that includes an investment commentary and general market commentary, current account holdings, and a summary of the client's total portfolio of Program Account investments for the previous quarter ("Performance Report"). All performance information is generally calculated, in accordance with generally accepted industry standards, for the presentation of performance. The client may provide updated information to the BWIS advisory representative at any time. Clients also receive forms required for tax reporting at the end of each year.

Program 1 and Program 2. FundQuest provides continuous monitoring and management to the client accounts in Program 1 and 2. Generally, client portfolios with similar investment objectives are reviewed as a group weekly as a matter of practice rather than pursuant to a triggering factor. Members of the Committee have primary responsibility for reviewing portfolios. The Committee consists of seven members: Gregory Classen, Ruhan Inanoglu, Jani Li, Andrew Tong, Frank Wei, Richard Baker, and Timothy Clift, a Senior Vice President and the Chief Investment Officer of FundQuest. The number of portfolios assigned to each member varies, depending on the size and complexity of the portfolios. The factors reviewed by the Committee include whether the assets comprising the portfolio are consistent with the strategy used to accomplish the objectives. The Committee reviews the relative performance, risk parameters and other characteristics of each security held in the portfolio to determine whether it continues to meet the criteria established for inclusion. Separate account managers are subjected to quantitative and qualitative performance reviews on an ongoing basis. Factors include whether performance and strategies are consistent with objectives. Also, the Committee periodically reviews asset allocation models in various programs to reallocate or rebalance as needed. Additionally, the BWIS advisory representative who opened the account reviews

account statements promptly. Factors include whether performance and strategies are consistent with objectives.

Program 1 clients and Program 2 clients may choose not to receive confirmations of each transaction, and instead receive a monthly and/or quarterly statement reflecting account activity provided by Pershing, the custodian of the Program Accounts. FundQuest will provide continuous monitoring and management to these client accounts, and will be reasonably available to consult with clients upon request. On a quarterly basis, BWIS representatives will review these client accounts and will notify the client to contact BWIS if there have been any changes in the Client Information, and annually BWIS advisory representatives will meet with clients. BWIS representatives may work with clients to restructure investment goals and restrictions, and to communicate client information to FundQuest. FundQuest, however, makes all specific investment recommendations for client accounts and manages these accounts on a discretionary basis.

Program 3. FundQuest will provide BWIS with information regarding current and target asset allocations for each account in this Program, and notices indicating certain variances for certain periods. BWIS investment advisory representatives will provide continuous monitoring for Program 3 accounts. These individuals have the title of Financial Consultant and are qualified by virtue of licensure and experience.

Program 3 clients will receive confirmation of each transaction, and a quarterly statement from Pershing. On a quarterly basis, BWIS representatives will review these client accounts and will notify the client to contact BWIS if there have been any changes in the Client Information, and annually BWIS advisory representatives will meet with clients. These advisory representatives will also be reasonably available to consult with clients upon request, work with clients to restructure investment goals and restrictions, and assist the client in rebalancing the portfolio as necessary. Any rebalancing is implemented only upon the client's direction.

V. Managed Account Program

Program 1 is a mutual fund managed account program comprised of mutual funds available from within Pershing's universe of NTF ("No Transaction Fee") funds. FundQuest has constructed fourteen model portfolios, half of which are tax-sensitive and the remaining half non-tax-sensitive. The models offer investment strategies including Diversified Equity, Diversified Equity with Income, Balanced Equity, Balanced, Diversified Income, Income, and Capital Preservation. The models mirror these overall investment strategies. The percentages of assets allocated between equities, bonds and cash is based on the investment objectives of the selected model(s) (e.g., a Diversified Equity portfolio may hold up to 98% in equity funds and 2% cash, while the Capital Preservation model may typically hold only 15% in equity funds, 83% in bond funds and 2% in cash).

BWIS investment advisory representatives will review asset allocation options, and will assist clients to select a model portfolio. Then FundQuest will be solely responsible for re-balancing, monitoring and managing the client's assets, and will have unlimited investment discretion with respect to any changes within the allocations of the selected portfolio model. FundQuest will

initiate all transactions. BWIS and FundQuest will continuously monitor client accounts. BWIS and the investment advisory representative will not have any discretion with respect to accounts in this Program.

VI. Wrap Fee Programs

Program 2. Program 2 clients will select from among fourteen model portfolios. FundQuest will typically offer two to three Sub-Managers from their universe of selected independent money managers for each of the fourteen models. Once BWIS assists a client to choose an allocation, Sub-Managers will manage the client's assets on a discretionary basis. The client will approve the recommended allocation, and will have the ability to impose reasonable restrictions on the management of the assets within the portfolio. FundQuest will continuously monitor the performance of the Sub-Managers and may, in its own discretion replace and/or terminate a Sub-Manager. FundQuest will be responsible for re-balancing, monitoring and managing the client's assets. The Sub-Managers and FundQuest will initiate all transactions. BWIS and the investment advisory representative will not have any discretion with respect to accounts in this Program.

Program 3. Program 3 is a wrap fee program in which the client retains discretionary authority for the selection of Sub-Managers and for the investments held within the portfolio. The advisory representative will assist the client in selecting Sub-Managers and appropriate securities, including NTF mutual funds, stocks, bonds, exchange-traded funds ("ETFs"), variable annuities, and/or other securities made available by Pershing. The advisory representative may consider materials provided by FundQuest to make recommendations regarding certain investments.

When appropriate, the advisory representative may also input a client's existing holdings to facilitate further analysis. When this information is incorporated, a diagnostic report is generated which will reflect the client's current asset allocation, performance of current investments historically, comparative analysis of current investments to peers, analysis of investments in correlation to appropriate indices, risk exposure of current investments, and a summary of expenses and tax efficiency of current investments.

FundQuest will provide BWIS with information regarding current and target asset allocations for each account in this Program, and notices indicating certain variances for certain periods. BWIS will provide investment advisory services to these accounts on a non-discretionary basis only, by assisting clients to select among the offerings. Clients will provide BWIS with limited trading authority to effect securities transactions within the account on the client's behalf, as directed by the client. Clients also provide BWIS limited authority to establish Sub-Accounts and direct FundQuest to arrange for the management of assets by Sub-Managers, as directed by the client. BWIS will continuously monitor client accounts. Clients must approve all transactions, except transactions effected by Sub-Managers for any Sub-Accounts, and are responsible for adjusting allocations to rebalance the portfolio.

VII. Fees and Expenses

Program Fees. Each client will be charged an asset-based fee (the “Program Fee”) in exchange for the investment advisory services provided by FundQuest, BWIS, and the Sub-Managers, the review, evaluation and presentation of the Sub-Managers and the other Program offerings provided by FundQuest, the performance measurement provided by FundQuest, and the execution, custodial and reporting services provided by the Brokers. The Program Fee will be charged on a quarterly basis in arrears based on the Program Account’s average daily balance during the preceding calendar quarter. In computing the market value of Fund Assets, shares of the Funds will be valued at their respective net asset values as calculated in accordance with each Fund’s prospectus. Any such valuation will not be deemed a guarantee of any kind whatsoever with respect to the value of those Fund Assets. If an Account is opened during any calendar quarter, the Account will be billed *pro rata* in arrears based on the average daily fair market value of assets in the Account during the portion of the quarter the Account was open. Upon termination of any account, any earned, unpaid fees will be due and payable *pro rata*, and any prepaid, unearned fees will be promptly refunded.

FundQuest will have the authority to instruct the custodian to debit the total Program Fee from client accounts. The Program Fees for the Priority Invest Program are billed based on a percentage of assets under management ranging from 0.65% to 2.30% (the “Program Fee Rate”). The Program Fee Rate is either a flat rate or a tiered and blended rate, depending on the program option selected or the size, composition and complexity of the portfolio. If the Program Fee Rate is blended, as the value of the Assets reaches various thresholds, the Assets above each threshold will be charged successively lower advisory fee rates. The Program Fee to be paid each quarter is calculated by multiplying the average daily balance of the Assets in the Program Account during the preceding calendar quarter by one-fourth of the applicable annual Program Fee Rate set forth in the tables below. The Program Fee Rate is subject to negotiation between FundQuest, BWIS, and each client, and may differ from client to client based upon a number of factors. The Client Agreement discloses the Program Fee Rate for each client.

PRIORITY INVEST MUTUAL FUND MANAGED ACCOUNT PROGRAM

Program 1. Generally the Program Fee Rate for Program 1 will be a flat rate of 1.5%, or will be a tiered and blended fee, determined as follows:

<u>\$ Value of Assets</u>	<u>Rec. Min. Fe</u>	<u>Max. Fee</u>
\$0-250,000	1.75%	2.30%
\$250,001-500,000	1.50%	2.00%
\$500,001-1,000,000	1.20%	1.70%
\$1,000,001-2,000,000	0.90%	1.35%
Over \$2 million	0.65%	0.95%

PRIORITY INVEST WRAP FEE PROGRAMS

Program 2. Generally the Program Fee Rate for Program 2 will be a flat rate of 2.0%, or will be a tiered and blended fee, determined as follows:

<u>\$ Value of Assets</u>	<u>Max. Fee</u>
\$0-250,000	2.30%
\$250,001-500,000	2.00%
\$500,001-1,000,000	1.70%
\$1,000,001-2,000,000	1.35%
Over \$2 million	0.95%

Program 3. Generally the Program Fee Rate for Program 3 will be a flat rate of 2.0%, or will be a tiered and blended fee, determined as follows:

<u>\$ Value of Assets</u>	<u>Rec. Min. Fe</u>	<u>Max. Fee</u>
\$0-250,000	1.75%	2.30%
\$250,001-500,000	1.50%	2.00%
\$500,001-1,000,000	1.20%	1.70%
\$1,000,001-2,000,000	0.90%	1.35%
Over \$2 million	0.65%	0.95%

BWIS Fees. BWIS and/or its advisory representatives retain a portion of the Program Fee paid by clients for the services BWIS provides in the Programs, and FundQuest will instruct Pershing to pay BWIS' fee. BWIS will typically receive between 70 basis points (0.70%) and 110 basis points (1.10%) annually. The portion of the advisory fee paid to BWIS does not increase the client's ultimate advisory fee paid for participation in the Programs.

FundQuest Fees. For its advisory and administrative services, FundQuest will typically receive fees in accordance with the fee schedule set forth below, and FundQuest will instruct Pershing to pay the fee.

<u>Platform Assets</u>	<u>FQ Fees</u>
< \$250,000,000	30 bps
Next \$250,000,000	28 bps
Next \$250,000,000	25 bps
Next \$250,000,000	23 bps
Next Amounts Over \$1,000,000,000	21 bps

Sub-Manager Fees. The fees and charges of any Sub-Manager are negotiated by FundQuest and will be paid out of the Program Fee. Sub-Manager's fees typically range from 0.40% to 1.00% depending on the asset class, asset style managed, Program Account asset value and other factors. Any Sub-Manager fees to be paid from the Program Fee will be disclosed to and approved by the Program Account Owner prior to the Sub-Manager's designation.

Pershing Fees. The remaining portion of the client's fee will be paid to Pershing for its brokerage and custodial services.

Additional Fees. In addition to the above fees, there may be postage and handling charges per trade, as well as other charges. The Program Fee does not cover, and the client shall be responsible for, any national securities exchange fees, fees imposed by the Securities and Exchange Commission, COMMANDsm Account service charges (if applicable); charges for transactions not executed through the Brokers; costs associated with exchanging currencies; fees and expenses charged by Funds selected by the client or any investment company in which Assets may be invested (as described below); wire transfer fees; and other fees required by law. FundQuest pays the Sub-Managers annually a range of 40-100 basis points.

Fees for Mutual Funds. Clients may be able to purchase shares of Funds outside of the Programs directly from the mutual fund complex issuing them, its principal underwriter or its distributor without paying the Program Fee on such shares (but subject to any applicable sales charges). Certain of the Funds are offered generally to the public without a sales charge. In the case of those Funds that are offered generally to the public with a sales charge, the prevailing sales charge (as described in a Fund's Prospectus) may be more or less than the applicable Program Fee.

The client, as well as all other shareholders, will bear a proportionate share of the fees and expenses of any Fund selected by the client or any investment company in which Assets are invested. These investment companies may include, but are not limited to, money market funds in which uninvested cash balances of Assets are invested, shares of ETFs intended to track the performance of a published index, and closed-end investment companies such as closed-end country funds. Fees and expenses of Funds and other investment companies may include investment advisory, administrative, distribution, transfer agent, custodial, legal, audit and other customary fees and expenses related to investment in investment companies and are in addition to the Program Fee. Clients are encouraged to read the prospectuses of the Funds and any investment company in which the Assets are invested for a more complete explanation of these fees and expenses.

Certain open-end mutual funds previously acquired by BWIS for a Client's account may, in addition to assessing management fees, charge a distribution fee pursuant to Rule 12(b)-1 promulgated under the Investment Company Act of 1940, as amended, or an administrative or service fee that will be paid to BWIS. Any advisory fees BWIS receives for ongoing advisory services to ERISA or IRA accounts are reduced by the amount of any commissions or Rule 12b-1 fees that related persons receive that are attributable to these accounts.

Employees of BWIS, and their affiliates, and members of the families of these persons may participate in the Programs with a reduced or waived Program Fee. In addition, the Program Fee on Fund Assets may be waived, in whole or in part, for, among others, certain banks, trust companies or unaffiliated investment advisers who maintain securities accounts with BWIS.

VIII. Other Special Risk Considerations and Conflicts of Interest

Certain investment strategies in the Programs may use ETF shares, such as i-Shares Standard & Poor's Depository Receipts ("SPDRs"), which are shares of an open-end investment company organized in series, investing in a basket of securities in an effort to track the performance of a specified market index, or REITs, which are corporations or business trusts, whose shares are

usually traded publicly, that invest primarily in income producing real estate and/or real estate related loans or mortgages. A client will bear, in addition to the Program Fee, a proportionate share of any fees and expenses associated with ETFs and REITs in which Assets of the client are invested. The Brokers may receive a portion of these fees and expenses. A client's selection of strategy that uses these types of investments may cause the client to incur these additional fees and expenses on Assets the client designates for management according to such strategy. These fees and expenses may include investment advisory, administrative, distribution, transfer agent, custodial, legal, audit and other customary fees and expenses.

ETFs are investment companies that track a specific index and are sold on one or more national exchanges. ETFs can be either open-end investment companies or unit investment trusts (such as SPDRs). SPDRs are units of interest in SPDR Trust, a unit investment trust consisting of substantially all of the common stocks, in substantially the same weighting, contained in the Standard & Poor's 500 Index. ETFs may be issued or redeemed only in aggregations of a specified number of shares, each called a "Creation Unit". ETFs may trade in the secondary market at a discount or premium to their net asset value. The value of the securities held by ETFs, and consequently the value of ETFs, will fluctuate. As described above, there may be fees and expenses, in addition to the Program Fee, associated with investing in ETFs, and the client's selection of a manager strategy that uses ETFs may cause the client to incur such additional fees and expenses on assets the client designates for management according to such manager strategy.

There may be fees and expenses, in addition to the Program Fee, associated with investing in REITs, and the client's selection of a strategy that uses REITs may cause the client to incur these additional fees and expenses on assets the client designates for management according to such strategy. REITs are subject to risks similar to those associated with direct ownership of real estate which include, but are not limited to, economic conditions, declines in real estate values, changes in government regulations, increases in property taxes and defaults by borrowers. In addition, due to their concentration in the real estate industry, REIT portfolios may be riskier and more volatile than a portfolio of common stocks that is not concentrated in a particular industry or group of industries.

Shares of all closed-end funds that trade in the secondary market, may also trade at a discount or premium to their net asset values.

To the extent that cash used for investment in the Programs comes from redemptions of a client's other non-Program mutual fund investments, clients should consider the cost, if any, of any sales charge previously paid and redemption fees that would be incurred. Such redemption fees would be in addition to the Program Fee on those Assets. Clients should be aware that such redemptions and exchanges between Funds that participate in the Programs may have tax consequences that should be discussed with their independent tax advisor.

Certain investment strategies may use a concentrated investment strategy. Concentrated portfolios generally hold the securities of a limited number of companies and, therefore, may be more volatile because the risk specific to each company may represent a larger portion of Assets. It is likely that the performance of these portfolios will differ significantly from that of the broad equity market.

Certain Managers may purchase certain securities for several clients' accounts in amounts that, in aggregate, are liquid investments. However, if the portion of these securities allocated to specific clients' accounts are liquidated on an isolated basis, due to the revocation of the power of attorney or otherwise, the size of the lot of the securities to be sold may negatively impact the sales price obtainable by Manager.

A client should consider that, depending upon the level of the Program Fee charged, the amount of portfolio activity in the client's account, the value of services which are provided under the program, and other factors, the Program Fee may or may not exceed the aggregate cost of these services if they were to be provided separately. The Programs may cost clients more or less than purchasing such services separately. Factors bearing upon cost of the Program in relation to the cost of the same services purchased separately may include, among other things, the size and type of the account, the historical or expected size for the account, and the number and range of supplemental services provided to the account. No party shall be compensated based on share of capital gains upon, or capital appreciation of, funds or any portions of funds or other investments in an account.

BWIS may act as investment manager to numerous client accounts and may provide brokerage services to clients. BWIS may give advice and take action with respect to any client accounts, or for its own account or the account of its principals, that may differ from action taken by BWIS on behalf of the Assets. BWIS is not obligated to recommend, or to refrain from recommending any security that BWIS or a principal may buy or sell for its or their own accounts or for any other account BWIS manages.

Each Manager selected may perform, among other things, investment management services for other clients and earn fees and other consideration therefor, and may take action in the performance of its duties to any other clients that may differ from the timing or nature of the action taken with respect to the Assets it manages. If a client selects more than one Program or strategy, each Manager may take action with respect to the Assets it manages in a particular strategy that may differ from (i) the timing or nature of action it takes with respect to another strategy it manages or (ii) action taken by a different Manager with respect to such Manager's management of the Assets. Thus, a particular security purchased for a client in one strategy may be sold for the client in another strategy. This may result in a client realizing a taxable gain or loss. If a loss is realized it may be subject to, and disallowed under, the "wash sales rule" under the IRC. Clients should consult their independent tax advisors regarding tax matters.

In the course of performing its investment advisory and brokerage activities, BWIS and BWIS' affiliates, including FundQuest, may acquire confidential or material non-public information. BWIS and its affiliates are not free to divulge to any client or Manager, or to act upon, such information with respect to its performance of the Client Agreement, except as permitted by applicable laws and regulations.

BWIS may from time to time enter into joint marketing activities with Managers and/or sponsors of Funds in the Programs.

Clients may also have other accounts with BWIS or FundQuest in which management fees are not charged. The payment of commissions or fees in these accounts is negotiated on an entirely separate basis from the payment of fees in the Programs.

As custodian, Pershing will collect and distribute the Program Fee to FundQuest, and FundQuest will pay a portion of the Program Fee to BWIS, the Sub-Managers, and other Program service providers. Such payments will be made as long as the Client Agreement remains in effect. BWIS and the advisory representative recommending the Programs to clients may receive more compensation than if the client participated in other advisory programs or paid separately for investment advice, brokerage, and other services, and thus the advisory representative may have a financial incentive to recommend the Programs over other programs or services. Additionally, the compensation that FundQuest, BWIS and the advisory representatives receive in connection with a client's participation in a Program may differ from the fees that they receive for the client's participation in another Program. To the extent that the amount of compensation received by FundQuest, BWIS or the advisory representative varies based on the selection of the Program, FundQuest, BWIS and the advisory representative may have a conflict of interest in making available or recommending to clients a particular Program.

Sub-Managers participating in the Programs are compensated based on individually negotiated fee rates, and any portion of the Program Fee that may be paid to a Sub-Manager may be higher or lower depending on the Sub-Manager providing services. This variation in payments may occur between Sub-Managers across investment strategies as well as within an investment strategy. To the extent that the amount of the Program Fee retained by FundQuest or the Provider varies based on the selection of Sub-Managers, FundQuest or the Provider may have a conflict of interest in making available or recommending to clients a particular Sub-Manager or one of the Programs that offers Sub-Managers. A current schedule identifying any such variance in the amount of Program Fees retained by FundQuest or the Provider may be provided to clients upon request.

The Brokers may receive payments from certain mutual funds, including money market funds, pursuant to a 12b-1 distribution plan or other such plan as compensation for distribution or administrative services and are distributed from the fund's total assets. The 12b-1 arrangements will be disclosed upon request of a client and are available in the applicable fund's prospectus. In addition, Pershing, other Program service providers, and their respective affiliates may receive a fee from certain employee benefit plans for record-keeping services. Pershing or other Program service providers, and their respective affiliates also may receive fees for acting as custodian or passive trustee to certain individual retirement accounts or employee benefit plans or as trustee to certain trust accounts.

In addition to the services that FundQuest provides to clients through the Programs, FundQuest may provide BWIS with Sub-Manager information and, under an agreement between FundQuest and BWIS, software and resources that BWIS will use to provide certain of the services described above. BWIS will compensate FundQuest for providing such services, information and software.

In addition to providing services as a registered investment adviser, BWIS also provides brokerage services and is an NASD member broker-dealer. In this capacity, BWIS can implement securities transactions for advisory clients for separate and distinct compensation under the terms of a separate contract. No advisory client is obligated to use BWIS or Pershing for brokerage services. The principals of BWIS are only required to devote such time to each client as they in their sole discretion determine, and also may devote their time to other positions both related and unrelated to investments. BWIS is not required to devote all of any specified amount of time to each client's affairs.

BWIS and/or its principal executive officers may, from time to time, receive incentive awards for the recommendation or introduction of insurance products. The receipt of this compensation may affect BWIS' judgment in recommending products to its clients.

IX. Material Affiliations

Certain of the BWIS' principal executive officers and other employees are also employed by BOTW or FHB. BWIS is a subsidiary of BOTW, which is an affiliate of FHB. Both BOTW and FHB are subsidiaries of BWE. BWE is a wholly owned subsidiary of BNP Paribas. These firms and their affiliates may be recommended to BWIS clients in need of banking and/or investment management services, provided that the recommendation is consistent with BWIS' fiduciary duty to the client. No client is obligated to use any of these firms for such services. Fees and expenses for banking services are separate and distinct from BWIS' management fees. BWIS also provides retail brokerage and annuity services to clients of both FHB and BOTW through a contractual agreement.

Bishop Street Capital Management is an affiliated registered investment adviser and serves as the investment adviser to the Bishop Street Funds, an open-end registered investment company with a retail series of funds including the Bishop Street Municipal Bond Fund and the Bishop Street Money Market Fund. Bishop Street Funds also offers the following institutional funds: Bishop Street Large Cap Growth Fund, Bishop Street Strategic Growth Fund, Bishop Street High Grade Income, Bishop Street Hawaii Municipal Bond Fund, Bishop Street Tax Managed Fund, Bishop Street Treasury Money Market Fund and the Bishop Street Money Market Fund. The Programs will not offer the Bishop Street Funds as part of those programs. However, BWIS or its affiliates may recommend the Bishop Street Funds to BWIS advisory clients outside of the Programs, and these clients may separately hold interests in the Bishop Street Funds.

BWIS is also affiliated with FundQuest, which manages two of the Programs and provides BWIS with tools that BWIS uses to provide investment advisory services to clients. FundQuest is wholly owned by Paribas North America ("PNA"). PNA is a subsidiary of BNP Paribas.

Certain individuals associated with BWIS are separately licensed as insurance producers with FHB, which is an insurance producer in the State of Hawaii. FHB, through the Private Advisory Services ("PAS") department, makes insurance products available to clients of FHB from independent insurance companies with which FHB has contractual relationships. In this capacity, FHB and those BWIS personnel can purchase insurance for clients (or refer clients to

other licensed producers) for separate compensation. However, no client is obligated to use FHB or those BWIS personnel to purchase insurance.

It is anticipated that BWIS' principal executive officers will spend the majority of their time on all of these related activities.

X. Brokerage Considerations

Since the Program Fee does not cover charges for brokerage transactions not executed by or through the Brokers, transactions for Program clients are generally effected through the Brokers so as to avoid the client incurring incremental charges that would be invoked by use of other brokers. However, by generally effecting securities transactions through the Brokers, the client may be foregoing any benefit from savings on execution costs that a Manager could otherwise obtain through, for example, negotiating volume discounts on batched orders. A Broker may execute transactions for investment advisory accounts over which it or its affiliates has discretion on the floors of securities exchanges of which they are members in accordance with Section 11(a) of the Securities Exchange Act of 1934. Markups and markdowns charged by a broker-dealer unaffiliated with the Brokers may be included in the price of certain transactions in over-the-counter and fixed income securities. With respect to these transactions, however, the Brokers and their affiliates will not charge any additional markups, markdowns, spreads or commissions with respect to clients who participate in the Programs. The Brokers and their affiliates may also effect securities transactions for their clients not paying the Program Fee and may receive brokerage commissions. Costs associated with using "margin" are not covered in the Program Fee and may result in additional compensation to the Brokers, their affiliates, and/or the BWIS advisory representatives. The client will pay the public offering price on securities purchased from an underwriter or dealer involved in a distribution, a portion of which may be received by the Brokers. Markups, markdowns and spreads (paid to market makers) charged by dealers unaffiliated with the Brokers may be included in the price of certain transactions executed on behalf of a client, including over-the-counter and fixed income securities. However, with respect to these transactions the Brokers will charge no additional markups, markdowns, spreads or commissions. With respect to client assets invested in a money market account, mutual fund, or other pooled investment vehicle, a client may be able to pay lower expenses by directly investing in such investment vehicles. Certain securities, such as over-the-counter stocks and fixed income securities, are traded primarily in "dealer" markets. In such markets, securities are directly purchased from or sold to a financial institution acting as dealer or "principal." Dealers executing principal trades typically include a "markup," "markdown," and/or spread in the net price at which transactions are executed. When the Brokers execute a transaction for an account for a security trade in the dealer markets, the Brokers either will execute the transaction as agent through a dealer unaffiliated with the Brokers, or, in accordance with applicable law, the Brokers or one of their affiliates will execute the transaction as principal. If the Brokers execute the transaction as agent through an unaffiliated dealer, the Brokers will not charge the account commissions or other fees in connection with the transaction, although the account will bear the cost (including any markups, markdowns and/or spread) imposed by the unaffiliated dealer. As a result, principal trades executed through unaffiliated dealers are likely to include the payment of compensation to dealers other than the Brokers or their affiliates in addition to the Program Fee. If the Brokers or one of their affiliates execute a transaction for a client's account as principal, the Brokers or one

of their affiliates may receive a spread in the net price in connection with such transaction to the extent permitted by applicable law, which will be in addition to the Program Fee. However, the account will not be charged any commissions for such transactions. Clients will pay the public offering price on securities purchased from an underwriter or dealer involved in a distribution, a portion of which may be paid to the Brokers or one of their affiliates.

Because the Program Fee covers transactions only when executed through the Brokers, each client will direct in the Client Agreement that transactions for the purchase and sale of securities and other investments in the account(s) be effected through the Brokers. Transactions will be effected through a broker or dealer other than the Brokers only when consistent with a Manager's duty to obtain best execution or if required by applicable law. In instances where a transaction is executed through a broker or dealer other than the Brokers, the client may incur a transaction fee, commission, and/or other charges in addition to the Program Fee.

In certain instances, a Manager may aggregate orders to purchase or sell a particular security for a client and other clients, including orders for clients of other sponsors within the Program, for purposes of obtaining best execution. Frequently, it is not possible to receive the same price or time of execution for all of the securities purchased or sold and the aggregated order may therefore be executed in one or more transactions at varying prices. When this occurs, Pershing will average the various prices on a business day and charge or credit the client with the average price for the day. When one or more client accounts managed by BWIS, FundQuest, and its affiliates are prepared to invest in, or desire to dispose of, the same security, the Brokers may batch these transactions for execution purposes. These batched transactions will be allocated in a manner believed to be equitable to each client.

Pershing provides custody services for the client accounts and will receive and credit to each account all interest, dividend, and other distributions that it received on the assets in the account.

Clients in Program 3 receive confirmations of all transactions, and quarterly account statements from Pershing. Clients in Programs 1 and 2 may choose to receive quarterly reports from Pershing, in lieu of confirmations for each transaction. Clients in all Programs also receive quarterly statements from FundQuest indicating, among other things, the performance of the Program Account and the valuation of the Assets.

All uninvested cash or credit balances in client accounts may automatically be swept into and invested in a money market fund or bank deposit account ("Sweep Option"), as set forth in the brokerage account agreement and documentation. Issuers of these Sweep Options may pay BWIS a distribution fee with respect to such investments as well as additional compensation based on account balances held in such Sweep Options. Such compensation is in addition to the Program Fee.

The Sub-Managers, may, as permitted by law, act in a principal capacity or as agent for other persons in connection with securities transactions involving investment advisory client accounts. The Sub-Managers also may be permitted to act in a principal capacity or as agent for other persons in connection with securities transactions for which the Sub-Managers or their affiliates do act as an investment adviser to the particular transaction, provided that the Sub-Manager discloses its

capacity, obtains the consent of the investment advisory client, and complies with all other applicable requirements. When acting in a principal capacity, the Sub-Manager may earn an inventory profit and have other incentives to sell to, or buy from, the client certain securities from, or into, its own account and, therefore, may have a potentially conflicting division of loyalties regarding the client's and its own interest. When acting as agent for other persons, the Sub-Manager may receive compensation from parties on both sides of the transaction and, therefore, may have a conflicting division of loyalties and responsibilities. Consent to agency-cross transactions may be revoked by the client at any time by written notice to the Sub-Manager. In addition, the Sub-Manager may receive fees or commissions from issuers of certain securities held in accounts of Program clients after obtaining the consent of the clients. The Sub-Manager may receive all or a portion of the fees or commissions paid by clients to the Sub-Manager.

FundQuest and BWIS will not act in a principal capacity or as agent for other persons with securities transactions involving investment advisory client accounts. Yet consistent with a Sub-Manager's duty to seek best execution, a Sub-Manager may cause Program clients to trade with BWIS, FundQuest or Pershing, or with clients of BWIS, FundQuest or Pershing. These transactions may be effected on a principal or agency-cross basis consistent with applicable regulations.

Advisory clients of BWIS and FundQuest should be aware that BWIS, FundQuest, and their affiliated entities or persons may maintain various types of financial or other relationships with financial or other institutions, entities or persons.

The Brokers may also receive indirect compensation from clients by the directed allocation of all or a portion of their brokerage business to the Brokers on securities transactions executed for the client by the client's Sub-Manager(s). All of the business that is allocated to the Brokers is done at rates which are fully disclosed to the client and which are competitive with those that could be obtained from other broker-dealers for similar services. The client should understand that, in such cases, the client may pay commissions which are higher than if the transactions were effected through broker-dealers other than the Brokers or if the client's Sub-Manager negotiated the commission rates. Client should also understand that such directed broker arrangements may cause the client to forego any savings on execution costs that the client's Sub-Manager otherwise might be able to negotiate with such other broker-dealer(s), such as obtaining volume or other discounts on batched orders, and that, in the aggregate, client may pay materially disparate commissions than such Sub-Manager's other clients depending upon clients arrangement with the Broker. For client accounts subject to ERISA, clients should understand that such client's broker arrangements must be done for the exclusive benefit of participants and beneficiaries of the plan and that it must not constitute or cause the account to be engaged in a prohibited transaction as defined by ERISA. Clients may wish to compare the possible costs or disadvantages of such directed brokerage arrangements. In addition, the Brokers may receive mutual fund sales charges and/or distribution and shareholder servicing fees with respect to mutual fund shares for which the Brokers are designated by the client to be broker of record.

Attached to this Brochure is additional information for ERISA plans regarding Department of Labor Prohibited Transaction Class Exemption 86-128.

XI. Education

Advisory persons associated with BWIS must possess, minimally, a college degree and/or appropriate business experience and all required licenses. Set forth below is the name, date of birth, formal education after high school, and business background for the preceding five years for each principal executive officer of BWIS. Information about the educational requirements and the background of advisory persons associated with FundQuest and the Sub-Managers maybe found in FundQuest's Brochure and the Sub-Managers' disclosure documents.

EDUCATION AND BUSINESS BACKGROUND

PETER STEVEN FRONTIERO BORN: 1956

Mr. Frontiero is the Senior Vice President, Chief Compliance Officer of BWIS. He has been employed by BWIS since BWIS was formed in November 2003 and BankWest Corporation bought the program from PrimeVest Financial Services, Inc. ("PrimeVest"), a third-party broker-dealer that provided services to BOTW. From April 2003 through November 2003, he was employed by PrimeVest. Until recently, he also served as a Senior Vice President, Compliance and Operations Officer of BWIS. He is currently a Senior Vice President for BOTW, which he joined in April 2003. Prior to joining BOTW, Mr. Frontiero was a Senior Vice President of Cal Fed Investments from May 1994 to July 2002, when Citicorp Investment Services purchased Cal Fed Investments. Citicorp Investment Services employed Mr. Frontiero from July 2002 to April 2003, and he also served as First Vice President of California Federal Bank from May 1994 to April 2003. Mr. Frontiero received an Associates Degree from Northshore Community College in 1976, and a B.S. in Finance from American International College in 1982.

LISA MARY STANDEN BORN: 1938

Ms. Standen is Senior Vice President, National Sales Executive and Director of BWIS. She has been employed by BOTW as a Vice President since March 1999. Prior to March 1999, she was employed by Marketing One Securities ("Marketing One"), which provided services to BOTW. Ms. Standen was employed from March 1999 through May 2000 by BISYS Brokerage Services, Inc. ("BISYS"), a third party marketer that provided services to BOTW. PrimeVest bought BISYS in May 2000, and Ms. Standen was employed by PrimeVest from May 2000 through November 2003, when BWIS was formed. Ms. Standen has been dually employed by BWIS and BOTW since November 2003.

MARK FRANCIOR OYADOMORI BORN: 1959

Mr. Oyadomori is a Vice President, Director and General Securities Principal of BWIS. He has been employed by BWIS and other third-party broker-dealers providing services to BOTW since March 1999: from March 1999 through May 2000 by BISYS; from May 2000 through November 2003 by PrimeVest; and since November 2003 by BWIS. He is a Vice President and Compliance Officer of FHB, where he started in May 1994. Mr. Oyadomori received a B.B.A. in Marketing from the University of Hawaii at Manoa in 1983.

CRAIG STEPHEN AVELLAR

BORN: 1960

Mr. Avellar is a Vice President and Director of BWIS. He has been employed by BWIS and other third-party broker-dealers providing services to BOTW since January 2002: from January 2002 through November 2003 by PrimeVest, and since November 2003 by BWIS. Concurrently, he has also been employed as Vice President by FHB. He was self-employed from January 2001 to January 2002, and was an investment representative for the FHB- First Investment Program from November 1995 to January 2001. Mr. Avellar attended the College for Financial Planning, earning his CFP (Certified Financial Planner) designation in 1999, and CRPS (Chartered Retirement Plans Specialist) in 2005.

SUSAN KATHRYN FREUND

BORN: 1954

Ms. Freund is Senior Counsel of BWIS, a position she has held since she joined BWIS in November 2003. Concurrently, she also serves as the Senior Counsel for BOTW. She has been with BOTW since April 2002. Previously, Ms. Freund was Senior Counsel for Loomis Sayles, a position she held from November 2001 until April 2002. Ms. Freund graduated from Northwestern University in 1976 with a B.A. in History. She earned her J.D. at Creighton University, graduating in 1979.

BRADLEY SCOTT GRUBB

BORN: 1961

Mr. Grubb is the CEO, President and a Director of BWIS since joining the firm in January 2006. In December 2005, he joined BOTW as Executive Vice President of Investments. Mr. Grubb was Senior Vice President of Commercial Federal Bank as well as Regional Vice President of Invest Financial Corporation from December 2002 to January 2006. From August 2001 to December 2002, Mr. Grubb was the National Sales Vice President of Travelers Life & Annuity Co., and Group Executive Vice President of Citicorp Investment Services from September 1998 until August 2001. He earned a B.A. in Economics from Loyola University, graduating in 1983.

ANTHONY REZENTES GUERRERO, JR. BORN: 1945

Mr. Guerrero is a Director of BWIS. He has served in this capacity since April 2004. Mr. Guerrero is also the Vice Chairman of FHB. He has been with FHB since 1967. Mr. Guerrero graduated from the University of Portland in 1967 with a bachelor's degree in Industrial Management.

DONALD GORDON HORNER

BORN: 1950

Since June 2004, Mr. Horner has served as a Director of BWIS. Mr. Horner is presently the President and CEO of FHB. He also previously served as COO and Vice Chairman and has been with FHB since October 1978. Mr. Horner earned a B.S. in Business from the University of North Carolina where he

graduated in 1972. Mr. Horner earned his M.B.A. from the University of Southern California in 1977 and is a 1986 honor graduate of the Pacific Coast Banking School.

FRANK JOHN BONETTO

BORN: 1950

Since November 2003, Mr. Bonetto has served as a Director of BWIS. He is also Vice Chairman of the Regional Banking Group of BOTW, as well as Executive Vice President and Director of BWE. He joined both of these firms in October 1992. Mr. Bonetto earned a B.A. in Economics, graduating from Northwestern University. He went on to the University of Illinois, earning an M.B.A. in Finance in 1974.

DOUG CAVAL GRIGSBY

BORN: 1952

Mr. Grigsby serves as a Director of BWIS. He has served in this capacity since March 2004. Mr. Grigsby is also the CFO of BWE having joined the firm in August 2002. Previously he was the CFO of BOTW from January 1989 to August 2002. He graduated from the University of Utah in 1976 having majored in Finance.

ROBERT JOSEPH STASTNY

BORN: 1956

Mr. Stastny is the CFO of both BWIS and BOTW, positions he has held since joining these firms in January 2006. Previously he was Manager of Financial Projects for Commercial Federal Bank, where he was employed from March 1982 until December 2005. Mr. Stastny graduated from Midland Lutheran College in 1976 with a B.A. in Business Administration.

BRETT ANTHONY LAMMERS

BORN: 1968

Mr. Lammers is a Vice President and the COO of BWIS, and a Vice President of BOTW, positions he has held since joining these firms in March 2006. He was an Operations Manager for QA3 from May 2005 until March 2006. Prior to that time, he was an Operations Manager for Manarin Securities from January 2001 until May 2005. In 1991 Mr. Lammers graduated from the University of South Dakota with a B.S. in Accounting.

NORMA WATERS

BORN: 1955

Ms. Waters is a Director of BWIS, as well as the Executive Vice President of Specialty Products for BOTW since October 2005. She was an Executive Vice President, Division Executive from April 2000 until October 2005 for BOTW. Prior to that time she was a Senior Vice President, Regional Manager for BOTW from February 1993 to April 2000. Ms. Waters graduated from Medford High School.

CHERYL ANN FARLEY

BORN: 1959

Ms. Farley is a Regional Sales Manager, Vice President with BWIS, and has served as a Vice President of BOTW since March 1999. She has been employed by BWIS and other third-party broker-dealers providing services to BOTW since 1994: from August 1994 through March

1999 by Marketing One; from March 1999 through May 2000 by BISYS; from May 2000 through November 2003 by PrimeVest; and since November 2003 by BWIS. Ms. Farley has a B.S. in Business Administration from the University of Phoenix, 1997. She has been securities and insurance licensed since 1986.

KIMBERLEY SUE DIAMOND **BORN: 1955**

Ms. Diamond is a Regional Sales Manager, Vice President with BWIS, also serving as a Vice President of the BOTW, since joining BWIS in February 2006. Prior to joining BWIS, Ms. Diamond had her own Investment Consulting business. In 2005 she was employed by CUSO Financial Services as the Gateway Services Program Manager and by Gateway Services Group as Executive Vice President, National Director of Sales & Program Management. From July 1999 to November 2004 she was a Vice President, Area Investment Manager with Citicorp Investment Services and First Vice President, Regional Investment Manager with Cal Fed Investments. After attending The University of Texas, in Austin, Texas, Ms Diamond graduated Magna Cum Laude from San Francisco State University, with a B.A. Degree.

DAVE MITSUAKI KATO **BORN: 1957**

Mr. Kato is a Regional Sales Manager, Vice President with BWIS, and has held this position since November 2003. Mr. Kato also has been employed by BOTW since March 1999. Previously, he was employed by other third-party broker-dealers providing services to BOTW: from March 1999 through May 2000 by BISYS and from May 2000 through November 2003 by PrimeVest. Mr. Kato graduated from Oregon State University in 1980 with a B.S in forestry.

CHRISTOPHER DANIEL GRYZEN **BORN: 1972**

Mr. Gryzen is the Assistant Chief Compliance Officer, Vice President with BWIS since March 2006, and is currently an Arbitrator for NASD Dispute Resolution, Inc. since November 1998. From April 2003 to January 2006, he was the Director of Administrative Compliance at Securities America, Inc. From February 1998 to April 2003, Mr. Gryzen held positions at Great American Advisors, Inc., including his role as Vice President, Chief Compliance Officer of the broker-dealer and investment adviser. He obtained a B.A. in Economics and Business Administration from Hope College, Holland, Michigan in 1995, and obtained his M.B.A. from Xavier University, Cincinnati, OH in 2002.

HOWARD PYLE BRADFORD, JR. **BORN: 1966**

Mr. Bradford is a Regional Sales Manager, Vice President with BWIS, and has held this position since April 2004. Previously, he served as a Vice President – Financial Consultant with BWIS from November 2003 to April 2004. He also was employed by other third-party broker-dealers providing services to BOTW: from March 2000 through May 2000 by BISYS, and from May 2000 through November 2003 by PrimeVest. Mr. Bradford graduated from the University of Houston with a B.S. in Business Administration in 1992 where he majored in Marketing.

KEHAUNANI FRANK SHAYLER

BORN: 1957

Ms. Shayler is a Regional Sales Manager, Vice President with BWIS, and has held this position since June 2005. Ms. Shayler has been employed by BWIS since November 2003. She was Vice President, Investment Specialist of BWIS from November 2003 through October 2004, and Vice President, Sales Manager of BWIS from October 2004 through June 2005. She also was employed by other third-party broker-dealers providing services to BOTW in the following capacities: Vice President, Sales Manager of BISYS from March 1999 through May 2000; Vice President, Sales Manager of PrimeVest from May 2000 through April 2001; and Vice President, Investment Specialist of PrimeVest from May 2001 through November 2003. From May 1998 through March 1999 she was a Vice President, Sales Manager of Mutual Securities. She obtained a B.A. in Sociology from the University of San Diego in 1980.

SALVATORE SAM TRAVALE

BORN: 1934

Mr. Travale is employed by BOTW and is a Regional Sales Manager, Vice President with BWIS and has held this position since November 2003. Previously, he was a Regional Sales Manager with Linsco Private Ledger ("LPL") from March 2003 to November 2003, and a Regional Investment Manager with Cal Fed Investments from September 1998 to March 2003. He attended Washington State College from 1953 to 1957, no degree; San Francisco Law school from 1965 to 1967, no degree; LaSalle University Law school from 1968 to 1971, no degree; and Beverly Hills University from 1972 to 1974 where he obtained a B.A. in Business.

KATHLEEN MARIE DOUB

BORN: 1945

Ms. Doub is a Regional Sales Manager, Vice President with BWIS, and has held this position since November 2003. She has been employed by BOTW since March 1999. She also has been employed by other third-party broker-dealers providing services to BOTW: from August 1993 through March 1999 by Marketing One first as a financial consultant and later as a Regional Sales Manager; from March 1999 through May 2000 by BISYS as a Vice President; and from May 2000 through November 2003 by PrimeVest as a Vice President. Ms. Doub attended Seattle University from 1963 to 1964 and attended Ohlone College and Chabot College from 1972 to 1975. She completed three years of college, no degree. She has taken numerous classes and courses on a variety of subjects ranging from management and communication to sales and marketing.

JOANNE JANE MARK-AJIMINE

BORN: 1960

Ms. Mark-Ajimine is Product Manager, Vice President with BWIS since February 2004, and was employed by BWIS as a Product Manager from November 2003 through February 2004. Additionally, she was employed by other third-party broker-dealers providing services to BOTW: from March 1999 through May 2000 by BISYS, and from May 2000 through November 2003 by PrimeVest. Ms. Mark-Ajimine also serves as Assistant Vice President with FHB, and graduated from University of Hawaii in 1982 with a B.B.A. in Marketing.

FRED BRIAN MICHUTKA BORN: 1956

Mr. Michutka is a Regional Sales Manager, Vice President with BWIS. He has been employed by BWIS since November 2003, and by BOTW since April 2001. He also was employed by PrimeVest, a third-party broker-dealer providing services to BOTW, from April 2001 through November 2003. He became a Vice President in June 2004. Mr. Michutka attended Jones College, Jacksonville, FL from 1981 through 1986, no degree.

TROY SHAWN LETTAU BORN: 1965

Mr. Lettau is a Regional Sales Manager, Vice President with BWIS, and has held this position since May 2006. Prior to BWIS receiving certain investment advisory programs from PrimeVest, Mr. Lettau was a Regional Sales Manager for PrimeVest from November 2004 to May 2006, and from March 2001 to November 2004. Mr. Lettau was an Investment Sales Manager with PrimeVest. Mr. Lettau earned his B.A. in May 1987 from Marquette University, Milwaukee, Wisconsin.

TIMOTHY ROYCE BUSH BORN: 1962

Mr. Bush is a Regional Sales Manager, Vice President with BWIS since May 2006. Prior to BWIS receiving certain investment advisory programs from PrimeVest, Mr. Bush was a regional sales manager for PrimeVest from February 2001 to May 2006. He was an Investment Sales Manager for Invest Financial Services at Community First Bank from August 1999 to February 2001. Mr. Bush attended Concordia College in Moorhead, MN and graduated Magna Cum Laude in December 1984 with a degree in Accounting and Business Administration.

XII. Advisory Representatives

Education standards for BWIS advisory representatives generally include college education and completion of the Series 6 or Series 7 and Series 65 or Series 66 examinations. BWIS advisory representatives also may complete life and health insurance state examinations, and internal advisory representative education testing. BWIS advisory representatives are required to attain and maintain all appropriate state registrations for the advisory services that they provide to clients.

Due to the nature and structure of the Programs, BWIS advisory representatives primarily act as liaisons between their clients and the Managers. For example, clients should promptly contact their advisory representatives for questions, including those involving their Assets, and account servicing matters.

All or a portion of the advisory fees charged for the Programs may be paid to BWIS advisory representatives in connection with the introduction of accounts as well as the provision of supplemental and other client-related services. Such payments may be made for the duration of the client accounts.

The amount of compensation received by BWIS advisory representatives with respect to clients who participate in the Programs may be more than that received if the client participated in other programs or had such person paid separately for investment advice, brokerage and other services provided to the client as part of the Programs. As a result, BWIS advisory representatives may have a financial incentive to recommend the Programs over other programs or services.

BWIS advisory representatives may act in various capacities. In addition to the advisory services they provide through BWIS, individuals also may act in the capacity of registered representatives and insurance agents.

In their separate capacity as registered representatives or insurance agents, advisory representatives may recommend the purchase of products. For executing these recommendations, individuals will receive compensation in the form of overrides, commissions, and trailers on sales of insurance and securities products. BWIS may recommend life insurance products, variable life insurance and annuity products, proprietary funds and third party funds.

Some BWIS advisory representatives can also offer insurance products through other unaffiliated insurance carriers for which they will receive commissions. Persons associated with BWIS will be receiving advisory fees while at the same time may also be receiving other forms of compensation, as described above. BWIS clients are made aware of the nature of any affiliations that pose conflicts prior to investing in these products, and are free to seek execution of their orders and transactions elsewhere. These conflicts exist for BWIS because the recommendations to purchase will result in commissions to the representative, and affiliated entities will profit from the sale of their product to the associated person's client.

Clients who may have investment advisory accounts with BWIS or its affiliates, may also have other accounts with the firm in which management fees are not charged. The payment of commissions or fees in these non-managed accounts is negotiated on an entirely separate basis from the payment of fees and commissions, if any, in the investment advisory accounts.

BWIS advisory representatives from time to time may also purchase securities they recommend to clients. BWIS does not anticipate that conflicts of interest will arise with regard to representatives' personal securities transactions.

XIII. Proxy Voting

BWIS shall generally not take any action or render any advice with respect to the voting of proxies solicited by, or with respect to, the issuers of any securities held in clients' accounts, except to the extent otherwise required by law. Clients or the named fiduciaries retain the right and obligation to vote any proxies relating to the securities held in client accounts to the extent consistent with applicable law; provided, however, that clients or the named fiduciaries may delegate such rights and obligations to any properly authorized agent. Notwithstanding the foregoing and consistent with applicable rules and regulations of the securities exchanges relating to the giving of proxies by member organizations, under certain Programs the client may delegate the Manager to vote proxies on the client's behalf. In such circumstances the client will be provided with the proxy voting procedures of the Manager.

If the client agreement is entered into by a trustee or other fiduciary on behalf of an employee retirement income plan subject to ERISA, including but not limited to a person meeting the definition of “fiduciary” under ERISA, the trustee or other fiduciary expressly retains the right and obligation to vote proxies, and agrees that FundQuest, any Sub-Manager, BWIS, the advisory representative and Pershing are precluded from voting proxies for the plan.

XIV. Code of Ethics

BWIS or individuals associated with BWIS may buy or sell securities for their personal accounts that are identical to those securities BWIS and/or FundQuest recommends to its customers, except to the extent that such investments violate the Code of Ethics (“Code”) adopted by BWIS. The Code sets out general ethical standards applicable to BWIS employees. Employees are expected to maintain the highest ethical standards, embody a business culture that supports actions based on what is right rather than expediency, deal fairly with customers and one another, protect confidential information and seek guidance about ethical questions. More specifically with respect to advisory activities, the Code requires that whenever BWIS acts in a fiduciary capacity, it will endeavor to consistently put the client’s interest ahead of the firm’s. It will disclose actual and potential meaningful conflicts of interest. It will manage actual conflicts in accordance with applicable legal standards. If applicable legal standards do not permit management of a conflict, BWIS will avoid the conflict. BWIS will not engage in fraudulent, deceptive or manipulative conduct with respect to clients. BWIS will act with appropriate care, skill and diligence.

Advisory personnel are required to know when BWIS is acting as a fiduciary with respect to the work they are doing. If it is, they are expected to comply with all fiduciary standards applicable to the firm in performing their duties. In addition, they must also put the client’s interest ahead of their own personal interest. An employee’s fiduciary duty is a personal obligation. While advisory personnel may rely upon subordinates to perform many tasks that are part of their responsibilities, they are personally responsible for fiduciary obligations even if carried out through subordinates.

In addition to these ethical principles, the Code requires that BWIS’ staff acknowledge receipt of the Code, report violations of the Code and comply with the federal securities laws. The Code also incorporates a personal securities trading policy, which is intended among other things to deter and prevent insider trading and contains detailed requirements with respect to information barriers pertaining to material nonpublic information, as well as restrictions on and reporting and monitoring of employees’ personal securities trading. BWIS will provide a copy of its Code of Ethics to any client or prospective client at any time upon request and without charge. In addition to the Code, BWIS’ staff is subject to all applicable compliance manuals, policies and procedures.

Specifically, BWIS has established the following restrictions in order to ensure its fiduciary responsibilities:

- 1) No director, officer or employee of BWIS shall buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on

reasonable inquiry. No person of BWIS shall prefer his or her own interest to that of the advisory client.

- 2) BWIS maintains a list of all securities holdings for itself, and anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by an appropriate officer/individual of BWIS.
- 3) All clients are fully informed that certain individuals may receive separate compensation when effecting transactions during the implementation process.
- 4) BWIS requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
- 5) Any individual not in observance of the above may be subject to termination.

ATTACHMENT A FOR ERISA PLANS ONLY

Prohibited Transaction

Class Exemption 86-128

51 Fed. Reg. 41686 (November 18, 1986)

In accordance with section 408(a) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA” or the “Act”) and section 4975(c)(2) of the Internal Revenue Code of 1986, as amended (the “Code”), and based upon the entire record including the written comments submitted in response to the notice of January 24, 1985, the Department of Labor (the “Department”) makes the following determinations:

- (a) The class exemption set forth herein is administratively feasible;
- (b) It is in the interests of plans and their participants and beneficiaries; and
- (c) It is protective of the rights of participants and beneficiaries of plans.

Accordingly, the following exemption is hereby granted under the authority of section 408(a) of the Act and section 4975(c)(2) of the Code and in accordance with the procedures set forth in ERISA Procedure 75-1.

Section 1: Definitions and Special Rules

The following definitions and special rules apply to this exemption:

- (a) The term “person” includes the person and affiliates of the person.
- (b) An “affiliate” of a person includes the following:
 - (1) Any person directly or indirectly controlling, controlled by, or under common control with, the person;
 - (2) Any officer, director, partner, employee, relative (as defined in section 3(15) of ERISA), brother, sister, or spouse of a brother or sister, of the person;
 - (3) Any corporation or partnership of which the person is an officer, director or partner. A person is not an affiliate of another person solely because one of them has investment discretion over the other’s assets. The term “control” means the power to exercise a controlling influence over the management of policies of a person other than an individual.
- (c) An “agency cross transaction” is a securities transaction in which the same person acts as agent for both any seller and any buyer for the purchase or sale of a security.
- (d) The term “covered transaction” means an action described in section II (a), (b) or (c) of this exemption.
- (e) The term “effecting or executing a securities transaction” means the execution of a securities transaction as agent for another person and/or the performance of clearance, settlement, custodial or other functions ancillary thereto.

- (f) A plan fiduciary is independent of a person only if the fiduciary has no relationship to, or interest in, such person that might affect the exercise of such fiduciary's best judgment as a fiduciary.
- (g) The term "profit" includes all charges relating to effecting or executing securities transactions, less reasonable and necessary expenses including reasonable indirect expenses (such as overhead costs) properly allocated to the performance of these transactions under generally accepted accounting principles.
- (h) The term "securities transaction" means the purchase or sale of securities.
- (i) The term "nondiscretionary trustee" of a plan means a trustee or custodian whose powers and duties with respect to any assets of the plan are limited to (1) the provision of nondiscretionary trust services to the plan, and (2) duties imposed on the trustee by any provision or provisions of the Act or the Code. The term "nondiscretionary trust services" means custodial services and services ancillary to custodial services, none of which services are discretionary. For purposes of this exemption, a person does not fail to be a nondiscretionary trustee solely by reason of having been delegated, by the sponsor of a master or prototype plan, the power to amend such plan.

Section II: Covered Transactions

Effective February 12, 1987, if each condition of section III of this exemption is either satisfied or not applicable under section IV, the restrictions of section 406(b) of ERISA and the taxes imposed by sections 4975(a) and (b) of the Code by reason of section 4975(c)(1)(E) or (F) or the Code shall not apply to-

- (a) A plan fiduciary's using its authority to cause a plan to pay a fee for effecting or executing securities transactions to that person as agent for the plan, but only to the extent that such transactions are not excessive, under the circumstances, in either amount or frequency;
- (b) A plan fiduciary's acting as the agent in an agency cross transaction for both the plan and one or more other parties to the transaction; or
- (c) The receipt by a plan fiduciary of reasonable compensation for effecting or executing an agency cross transaction to which a plan is a party from one or more other parties to the transaction.

Section III: Conditions

Except to the extent otherwise provided in section IV of this exemption, section II of this exemption applies only if the following conditions are satisfied:

- (a) The person engaging in the covered transaction is not a trustee (other than a nondiscretionary trustee) or an administrator of the plan, or an employer any of whose employees are covered by the plan.
- (b) The covered transaction is performed under a written authorization executed in advance by a fiduciary of each plan whose assets are involved in the transaction, which plan fiduciary is independent of the person engaged in the covered transaction.

- (c) The authorization referred to in paragraph (b) of this section is terminable at will by the plan, without penalty to the plan, upon receipt by the authorized person of written notice of termination. A form expressly providing an election to terminate the authorization described in paragraph (b) of this section with instructions on the use of the form must be supplied to the authorizing fiduciary no less than annually. The instructions for such form must include the following information:
 - (1) The authorization is terminable at will by the plan, without penalty to the plan, upon receipt by the authorized person of written notice for the authorizing fiduciary or other plan official having authority to terminate the authorization; and
 - (2) Failure to return the form will result in the continued authorization of the authorized person to engage in the covered transactions on behalf of the plan.
- (d) Within three months before an authorization is made, the authorizing fiduciary is furnished with any reasonably available information that the person seeking authorization reasonably believes to be necessary for the authorizing fiduciary to determine whether the authorization should be made, including (but not limited to) a copy of this exemption, the form of termination of authorization described in section III(c), a description of the person's brokerage placement practices, and any other reasonably available information regarding the matter that the authorizing fiduciary requests.
- (e) The person engaging in a covered transaction furnishes the authorizing fiduciary with either:
 - (1) a confirmation slip for each securities transaction underlying a covered transaction within ten business days of the securities transaction containing the information described in Rule 10b-10(a)(1-7) under the Securities Exchange Act of 1934, 17 CFR 240.10b-10; or
 - (2) At least once every three months and not later than 45 days following the period to which it relates, a report disclosing:
 - (A) a compilation of the information that would be provided to the plan pursuant to subparagraph (e)(1) of this section during the three-month period covered by the report;
 - (B) the total of all securities transaction-related charges incurred by the plan during such period in connection with such covered transactions; and
 - (C) the amount of the securities transaction-related charges retained by such person and the amount of such charges paid to other persons for execution or other services.

For purposes of this paragraph (e), the words "incurred by the plan" shall be construed to mean "incurred by the pooled fund" when such person engages in covered transactions on behalf of a pooled fund in which the plan participates.

- (f) The authorizing fiduciary is furnished with a summary of the information required under paragraph (e)(1) of this section at least once per year. The summary must be furnished within 45 days after the end of the period to which it relates, and must contain the following:

- (1) the total of all securities transaction-related charges incurred by the plan during the period in connection with covered securities transactions.
- (2) the amount of the securities transaction-related charges retained by the authorized person and the amount of these charges paid to other persons for execution or other services.
- (3) a description of the person's brokerage placement practices, if such practices have materially changed during the period covered by the summary.
- (4) (i) A portfolio turnover ratio, calculated in a manner which is reasonably designed to provide the authorizing fiduciary with the information needed to assist in discharging its duty of prudence. The requirements of this paragraph (f)(4)(i) will be met if the "annualized portfolio turnover ratio," calculated in the manner described in paragraph (f)(4)(ii), is contained in the summary.
(ii) The "annualized portfolio turnover ratio" shall be calculated as a percentage of the plan assets consisting of securities or cash over which the authorized person had discretionary investment authority, or with respect to which such person rendered, or had any responsibility to render, investment advice (the "portfolio") at any time or times ("management period(s)" during the period covered by the report. First, the "portfolio turnover ratio" (not annualized) is obtained by dividing (A) the lesser of the aggregate dollar amounts of the purchase or sales of portfolio securities during the management period(s) by (B) the monthly average of the market value of the portfolio securities during all management period(s). Such monthly average is calculated by totaling the market values of the portfolio securities as of the beginning and end of each management period and as of the end of each month that ends within such period(s), and dividing the sum by the number of valuation dates so used. For purposes of this calculation, all debt securities whose maturities at the time of acquisition were one year or less are excluded from both the numerator and denominator. The "annualized portfolio turnover ratio" is then derived by multiplying the "portfolio turnover ratio" by an annualizing factor. The annualizing factor is obtained by dividing (C) the number twelve by (D) the aggregate duration of the management period(s) expressed in months (and fractions thereof)

Examples of the use of this formula are provided in section V of this exemption.

- (iii) The information described in this paragraph (f)(4) is not required to be furnished in any case where the authorized person has not exercised discretionary authority over trading in the plan's account during the period covered by the report.

For purposes of this paragraph (f), the words "incurred by the plan" shall be construed to mean "incurred by the pooled fund" when such person engages in covered transactions on behalf of a pooled fund in which the plan participates.

- (g) If an agency cross transaction to which section IV (b) does not apply is involved, the following conditions must also be satisfied:
 - (1) The information required under section III (d) or IV (d)(1)(B) of this exemption includes a statement to the effect that with respect to agency cross transactions the person effecting or executing the transactions will have a potentially conflicting division of loyalties and responsibilities regarding the parties to the transactions;
 - (2) The summary required under section III (f) of this exemption includes a statement identifying the total number of agency cross transactions during the period covered by the summary and the total amount of all commissions or other remuneration received or to be received from all sources by the person engaging in the transactions in connection with those transactions during the period;
 - (3) The person effecting or executing the agency cross transaction has the discretionary authority to act on behalf of, and/or provide investment advice to, either (A) one or more sellers or (B) one or more buyers with respect to the transaction, but not both;
 - (4) The agency cross transaction is a purchase or sale, for no consideration other than cash payment against prompt delivery of a security for which market quotations are readily available; and
 - (5) The agency cross transaction is executed or effected at a price that is at or between the independent bid and independent ask prices for the security prevailing at the time of the transaction.

Section IV: Exceptions from Conditions

- (a) Certain plans not covering employees. Section III of this exemption does not apply to covered transactions to the extent they are engaged in on behalf of individual retirement accounts meeting the conditions of 29 CFR 2510.3-2(d), or plans, other than training Programs, that cover no employees within the meaning of 29 CFR 2510.3-3.
- (b) Certain agency cross transactions. Section III of this exemption does not apply in the case of an agency cross transaction, provided that the person effecting or executing the transaction;
 - (1) Does not render investment advice to any plan for a fee within the meaning of section 3(21)(A)(ii) of ERISA with respect to the transaction;
 - (2) is not otherwise a fiduciary who has investment discretion with respect to any plan assets involved in the transaction, see 29 CFR 2510.3-21(d); and
 - (3) does not have the authority to engage, retain or discharge any person who is or is proposed to be a fiduciary regarding any such plan assets.
- (c) Recapture of profits. Section III (a) of this exemption does not apply in any case where the person engaging in a covered transaction returns or credits to the plan all profits earned by that person in connection with the securities transactions associated with the covered transaction.
- (d) Special rules for pooled funds. In the case of a person engaging in a covered transaction on behalf of an account or fund for the collective investment of the assets of more than one plan (pooled fund):
 - (1) Section III (b), (c) or (d) of this exemption do not apply if-

- (A) The arrangement under which the covered transaction is performed is subject to the prior and continuing authorization, in the manner described in this paragraph (d)(1), of a plan fiduciary with respect to each plan whose assets are invested in the pooled fund who is independent of the person. The requirement that the authorizing fiduciary be independent of the person shall not apply in the case of a plan covering only employees of the person, if the requirements of section IV (d)(2)(A) and (B) are met.
 - (B) The authorizing fiduciary is furnished with any reasonably available information that the person engaging or proposing to engage in the covered transactions reasonably believes to be necessary to determine whether the authorization should be given or continued, not less than 30 days prior to implementation of the arrangement or material change thereto, including (but not limited to) a description of the person's brokerage placement practices, and, where requested, any reasonably available information regarding the matter upon the reasonable request of the authorizing fiduciary at any time.
 - (C) In the event an authorizing fiduciary submits a notice in writing to the person engaging in or proposing to engage in the covered transaction objecting to the implementation of, material change in, or continuation of, the arrangement, the plan on whose behalf the objection was tendered is given the opportunity to terminate its investment in the pooled fund, without penalty to the plan, within such time as may be necessary to effect the withdrawal in an orderly manner that is equitable to all withdrawing plans and to the nonwithdrawing plans. In the case of a plan that elects to withdraw under this subparagraph (d)(1)(c), the withdrawal shall be effected prior to the implementation of, or material change in, the arrangement; but an existing arrangement need not be discontinued by reason of a plan electing to withdraw.
 - (D) In the case of a plan whose assets are proposed to be invested in the pooled fund subsequent to the implementation of the arrangement and that has not authorized the arrangement in the manner described in subparagraphs (d)(1)(B) and (C) of this section, the plan's investment in the pooled fund is subject to the prior written authorization of an authorizing fiduciary who satisfies the requirements of subparagraph (d)(1)(A).
- (2) Sections III (a) of this exemption, to the extent that it prohibits the person from being the employer of employees covered by a plan investing in a pool managed by the person does not apply if-
- (A) The person is an "investment manager" as defined in section 3(38) of ERISA, and
 - (B) Either (i) the person returns or credits to the pooled fund all profits earned by the person in connection with all covered transactions engaged in by the person on behalf of the fund, or (ii) the pooled fund satisfies the requirements of paragraph IV (d)(3).
- (3) A pooled fund satisfies the requirements of this paragraph for a fiscal year of the fund if-
- (A) On the first day of such fiscal year, and immediately following each acquisition of an interest in the pooled fund during the fiscal year by any plan covering employees of the person, the aggregate fair market value of the interests in such

fund of all plans covering employees of the person does not exceed twenty percent of the fair market value of the total assets of the fund; and

- (B) The aggregate brokerage commissions received by the person, in connection with covered transactions engaged in by the person on behalf of all pooled funds in which a plan covering employees of the person participates, do not exceed five percent of the total brokerage commissions received by the person from all sources in such fiscal year.

Section V: Examples Illustrating the Use of the Annualized Portfolio Turnover Ratio Described in Section III (f)(4)(ii)

(a) A, an investment manager affiliated with a broker-dealer that A uses to effect securities transactions for the accounts that it manages, exercises investment discretion over the account of plan P for the period January 1, 1987, through June 30, 1987, after which the relationship between A and P ceases. The market values of P's account with A at the relevant times (excluding debt securities having a maturity of one year or less at the time of acquisition) are:

Date	Market Value (millions)
January 1, 1987	\$10.4
January 31, 1987	10.2
February 28, 1987	9.9
March 31, 1987	10.0
April 30, 1987	10.6
May 31, 1987	11.5
June 30, 1987	12.0
Sum of market values	\$74.6

Aggregate purchases during the 6-month period were \$850,000; aggregate sales were \$1,000,000, excluding in each case debt securities having a maturity of one year or less at the time of acquisition.

For purpose of section III (f)(4) of this exemption, A computes the annualized portfolio turnover as follows:

A = \$850,000 (lesser of purchases or sales)

B = \$10,657,143 (\$74.6 million divided by 7, i.e., the number of valuation dates)

Annualizing factor = C/D = 12/6 = 2

Annualized portfolio turnover ratio = 2 x (850,000 / 10,657,143) = 0.160 = 16.0%

(b) Same facts as (a), except that A manages the portfolio through July 15, 1987, and, in addition, resumes management of the portfolio on November 10, 1987 through the end of the year. The additional relevant valuation dates and portfolio values are:

Date	Market Value (millions)
July 15, 1987	\$12.2
November 10, 1987	9.4
November 30, 1987	9.6
December 31, 1987	9.8
Sum of market values	\$41.0

Annualizing factor = $C/D = 12 / (6.5 + 1.67) = 1.47$

Annualized portfolio turnover ratio = $1.47 \times (1,4000,000 / 10,509,091) = 0.196 = 19.6\%$

Section VI: Effective Dates and Transitional Rule

(a) This exemption will be effective on the later of December 18, 1986, or the date on which the Office of Management and Budget approves the information collection requests contained in this exemption under the Paperwork Reduction Act of 1980.

(b) PTE 79-1 and PTE 84-46 are revoked effective April 1, 1987.

Signed at Washington, DC this 5th day of November 1986.

Dennis M. Kass,

Assistant Secretary, Pension and Welfare Benefits Administration.

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FOR ERISA PLANS ONLY

**THIS DOCUMENT SHOULD BE COMPLETED ONLY IF THE PLAN ELECTS TO
TERMINATE ITS PARTICIPATION IN THE PRIORITY INVEST PROGRAM**

BancWest Investment Services, Inc.

450 Regency Parkway, 2E

Omaha, NE 68114

Attention: []

Dear []:

This is to notify BancWest Investment Services, Inc. that effective as of _____ the
Plan(s) named below terminates its participation in the Priority Invest Program:

PLAN NAME(S): _____

ACCOUNT NAME: _____

NAME AND TITLE OF NAMED

FIDUCIARY OF THE PLAN _____

SIGNATURE: _____